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FISCAL IMPACT STATEMENT

LS 6719

BILL NUMBER: SB 241

NOTE PREPARED: Jan 29, 2010

BILL AMENDED: Jan 28, 2010

SUBJECT: Local Government Issues.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) *County Chief Executive Officer-* The bill provides that in counties other than Marion County, the county legislative body may adopt an ordinance providing that the voters of the county shall elect a single county chief executive officer to serve as the county executive and a county council that has the legislative and fiscal powers and duties of the county. The bill provides that such an ordinance to change the structure of county government may be adopted only during an odd-numbered year or before July 1 of an even-numbered year. The bill specifies that an ordinance providing for a single elected county executive officer must be approved by: (1) a unanimous vote of all the elected members of the county legislative body, in the case of a county legislative body with not more than three members; or (2) a vote of at least two-thirds of all the elected members of the county legislative body, in the case of a county legislative body with more than three members. The bill provides that in a county with a single county chief executive officer: (1) the initial county chief executive officer is elected in the second general election after the ordinance to change the structure of county government is approved; (2) the board of county commissioners is abolished; and (3) the membership of the county council continues under existing law.

Order of Offices on Ballot- The bill places city offices on the primary and general election ballots before (rather than after) township offices.

Public Employees Holding Elective Office- The bill provides that an employee of a political subdivision is considered to have resigned from employment with the political subdivision if the employee assumes the elected executive office of the political subdivision or becomes an elected member of the political subdivision's legislative or fiscal body. The bill specifies that the restriction applies to an employee of a political subdivision who assumes an elected office after June 30, 2010, but provides that the restriction does not apply to an employee of a political subdivision who holds elective office on June 30, 2010, as long as

the individual continues to hold or be reelected to that office. The bill provides that the restriction does not prohibit an employee of a political subdivision from holding an elected office of a political subdivision other than the political subdivision that employs the government employee.

Local Government Nepotism- The bill prohibits a relative of an officer or employee of a political subdivision from being employed by the political subdivision in a position that would put the relative in a direct supervisory or subordinate relationship with the officer or employee. The bill specifies that an employee of a political subdivision is not required by these provisions to be terminated or reassigned from any position held by that individual before July 1, 2010, but provides that this grandfathering provision expires January 1, 2015.

The bill provides that a political subdivision may not enter into or renew certain contracts.

Township Fire Emergency Loans- The bill provides for the adjustment of maximum property tax levies after the consolidation of fire departments in Marion County. The bill provides that the property tax levy limits do not apply to property taxes imposed by the consolidated city to pay indebtedness assumed or paid under a consolidation of fire departments in Marion County. The bill specifies that not more than four years after the consolidation of a fire department in Marion County, the consolidated city may levy a tax above the tax rate set for the consolidated fire department in the township as necessary to phase out that township's borrowing for fire and emergency services and any other emergency or temporary loans by the township for fire and emergency services.

Statement of Economic Interests- The bill requires constables and deputy constables to file an annual statement of economic interests with the commission on judicial qualifications.

Building Authority Budget- The bill provides that a building authority in Marion County must submit its operating and maintenance budget and tax levy to the city-county council for approval.

Vote Centers- The bill establishes the use of vote centers as an option for all counties. The bill requires the county election board (CEB) to adopt an order designating a county a vote center county (VCC), adopt a plan to administer the vote centers, and file the order and the plan with the Election Division (ED). The bill requires the CEB to accept and consider public comment before adopting an order designating the county as a VCC. The bill provides that designation of a county as a VCC remains in effect until the CEB rescinds the order designating the county as a VCC and files a copy of the rescission with the ED.

Electronic Poll Lists- The bill provides that an electronic poll list must be programmed so that access to the list requires the coordinated action of two precinct election officials who are not members of the same political party. The bill allows an electronic poll list used at a vote center to include an electronic image of the voter's signature, if available.

Vote Center Report of Vote Total- The bill authorizes a precinct election board (PEB) administering an election at a vote center to report the vote totals by precinct on election night.

Vote Centers- The bill redesignates automatically as a VCC a county previously designated a pilot VCC.

School Board Elected at General Election- The bill provides that school board members selected by election must be elected at general elections beginning in 2010.

Repealers- The bill repeals the expiration date of the vote center program and provisions that: (1) require the Secretary of State's (SOS) approval of the vote center designation; and (2) allow the SOS to revoke the vote center designation. This bill repeals other obsolete and superseded statutes.

Effective Date: (Amended) Upon passage; July 1, 2010; January 1, 2011.

Explanation of State Expenditures: (Revised) *Statement of Economic Interests-* This provision would minimally increase the administrative workload of the state Judicial Nominating Commission (JNC) to store statements of economic interest from Marion County township constables and deputy constables. This provision would be able to be accomplished within the JNC's existing level of resources.

Vote Centers- The Election Division would have to file the paperwork for new permanent vote centers adopted by a county election board. The ED's existing level of resources would be sufficient to carry out this provision.

Explanation of State Revenues:

Explanation of Local Expenditures: *County Chief Executive Officer-* This provision would have an indeterminable impact on local expenditures and would depend on county action. Under current law, the county fiscal body, which is currently the county council, determines salaries. Therefore, any savings with respect to salary of a county chief executive officer over county commissioners would depend on the designation of salary by the county council. (See "*Background*" for information concerning commissioner salaries.)

School Board Elected at General Election- School board governing body members would be elected at general elections beginning with the 2010 general election. There would be minor cost adjustments from primary to general election budgets, primarily for ballot costs, in counties with primary-elected school boards.

(Revised) *Statement of Economic Interests-* This provision would require an increase in staff time for township constables and full-time deputy constables to prepare. This provision would only affect the nine township constables of Marion County and any *full-time* deputies they employ.

(Revised) *Building Authority Budget-* If this provision could be incorporated into the review of budgets of other Marion County governmental agencies, then this provision would have a minimal impact on the Marion County Indianapolis City-County Council's expenditures. If an additional committee meeting occurred to review the building authority budget, Council members would receive an additional \$62 per diem for the additional meeting attended. However, a Council member cannot exceed 40 meetings per calendar year.

Vote Centers- The establishment of vote centers could reduce the expenditures needed to conduct an election, including payment of fewer poll workers and printing of poll books. However, start-up expenses such as the establishment of an electronic poll book database could offset some of the potential savings. The impact on local expenditures would depend on the adoption of ordinances by county election boards (under unanimous approval) and resolutions of approval by both the county executive and county fiscal body.

Electronic Poll Lists- This provision could reduce time and expenditure of election officials by allowing the option to place electronic signatures into electronic poll lists.

Background- Election Expenses- Expenses to run an election include precinct election board per diem, rental of a facility for polling (if necessary), and/or voting equipment (if necessary.) Based on a small sample of Indiana counties, per diem for election board members ranges from \$65 to \$150 for inspectors and from \$40 to \$100 for judges, clerks, and sheriffs.

Elected School Boards- The Department of Education reports for school year 2008, 201 school boards are elected at primary and 76 are elected at general elections.

Vote Centers- Reduction of local expenditures would depend largely on requiring one vote center per 10,000 active voters (in counties with 25,000 or more active voters). The following table depicts the number of precincts vs. the potential number of vote centers statewide (if all counties established vote centers at a one-to-10,000 ratio).

Table A. Voter Statistics					
Active Voters (4/30/2008)*	Minimum Vote Centers (one per 10,000 voters)	Inactive Voters (4/30/2008)*	Number of Active Precincts (5/6/2008)*	2008* General Election Registered Voters	2008* General Election Actual Voters Voting
3912413	391	406144	5346	4514759	2805986
*Most recent data available from Secretary of State.					

The impact would be overstated if it were assumed the number of precincts coincides with the number of polling places. Some precincts are housed together in the same polling place and rely on the same voting equipment. However, there would be an overall reduction in the number of polling places if every county maintained a vote center for at least 730 or more active voters. Each precinct is required to maintain a separate precinct election board. Assuming a ratio of one center per 10,000 voters was generally followed, hundreds of precinct election boards would be eliminated by vote centers. Any actual savings would vary by county since many paid precinct election board positions go vacant due to shortage of poll workers or already have been eliminated by various county election boards as unnecessary.

County Commissioner Salaries- The following table exhibits 2008 salaries of county commissioners, based on the available information submitted by counties. Some counties did not submit salary information; therefore, the following averages should be treated as approximate.

Table B. Commissioner Salaries by County Population	
County With a Population of:	Average Salary of a Commissioner
Greater than 150,000	\$43,344
100,000 to 150,000	\$38,138
50,000 to 100,000	\$22,171
40,000 to 50,000	\$21,629
35,000 to 40,000	\$20,056
30,000 to 35,000	\$19,171
25,000 to 30,000	\$17,204
20,000 to 25,000	\$16,484
15,000 to 20,000	\$14,876
5,000 to 15,000	\$11,559

Explanation of Local Revenues: (Revised) *Township Fire Emergency Loans*- Under current law, when a township fire department in Marion County is consolidated into the Indianapolis City fire department, debt incurred by the township before the consolidation remains an obligation of the township and the township continues to impose a levy for debt service.

Under this provision, the consolidated city may levy a tax within the township to repay any emergency or temporary loans that were obtained by a consolidating entity. The levy could be imposed for no more than four years. Long term debt, however, would not be affected by this provision.

The taxpayers of the township will pay for the loans under current law and under this provision. Administration of the tax levy and loan servicing could transfer from the township to the city.

State Agencies Affected: Secretary of State; Election Division; Commission on Judicial Qualifications.

Local Agencies Affected: County election boards; county commissioners, township constables in Marion County; Marion County Indianapolis City-County Council.

Information Sources: Secretary of State, Election Division; Department of Education; Association of Indiana Counties: *2008 23rd Annual County Fact Book*; Adrienne Meiring, Counsel for the state Commission on Judicial Qualifications.

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